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3 April 1962

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## CENTRAL

# INTELLIGENCE

## BULLETIN



State Dept. review completed

TOP SECRET

3 April 1962

### CENTRAL INTELLIGENCE BULLETIN

#### CONTENTS

	1.	USSR-Berlin. (Page i)
	<b>2</b> .	Argentina. (Page ii)
25X1		
	4.	Jordan-Egypt: Cairo increasing its activity to overthrow Husayn regime. $(Page\ tit)$
	5.	Guinea-France: Conakry releases French prisoner in effort to improve relations with Paris. (Page tv)
	6.	British Guiana - East Germany: British Guiana provisionally agrees to purchase agricultural processing equipment from East Berlin firm. (Page iv)
25X1		

### CENTRAL INTELLIGENCE BULLETIN

3 April 1962

#### DAILY BRIEF

\*Berlin: The introduction of new crossing procedures on the East - West Berlin sector borders apparently is an East German attempt to test Western reaction to the new customs law on a piecemeal basis prior to its full implementation reportedly on 30 April. East German police on the East - West Berlin sector border early yesterday morning began taking up old entry permits of West Germans and West Berliners who sought to enter the Soviet sector. This action affected both individuals engaged in interzonal trade between East and West Germany and West Berliners who have continued to work in East Berlin since construction of the wall. The individuals were told that new permits would be issued upon request, although how long this would take was not indicated. West German truck drivers engaged in interzonal trade were informed at the two crossing points reserved for West German traffic that their long-term entry permits were no longer valid. They were instructed to secure new permits at either of two crossing points reserved for West Berliners. This tightening of the sector borders was explained by the regime as being necessary to curtail the use of old permits to smuggle escapees out of East Berlin.

25X1

The East Germans reportedly have refused to renew permanent visitor's passes to East Berlin of several West Berlin representatives of small West German steel firms. These firms were notified of the move and advised instead to send West German representatives to East Berlin periodically to conduct business relations. Last month, East German authorities reportedly were completing plans for the issuance of new long-term entry permits, good for four to six weeks but not

i



automatically renewable, to West German businessmen engaged in interzonal trade. Other West Berlin representatives of such firms were told that they would receive renewals good only for a two-week period.

No Soviet transport flights have been scheduled in the Berlin air corridors for 3 April. The last such flights were made on 29 March.

\*Argentina: The armed forces continue to press for a "national unity" cabinet under President Guido as Frondizi's constitutional successor and have called for a political truce "aimed at facilitating negotiations among all democratic elements." They are concerned that foreign criticism of their deposing Frondizi will undermine the stability of the Guido government. Argentina announced on 2 April its decision to withdraw its diplomatic representation from Caracas--apparently as a result of Venezuela's earlier action to withdraw its diplomats to protest the military's removal of Frondizi.

Although elements of Frondizi's Intransigent Radical Civic Union (UCRI) are still demanding the return of Frondizi, the party's national committee continues to assert that the Guido government is the best hope "for restoring full sovereignty to the people" and "avoiding a military dictatorship."

The Peronista high command issued its first formal communique on the crisis on 1 April, threatening "a popular insurrection" if its recent election victories are invalidated and its activities outlawed.

25X1

3 Apr 62

DAILY BRIEF

ii



Guinea-France: The Guinean Government's release on 1 April of a French national who had been serving a longterm sentence for involvement in the alleged "plot" of April 1960 against the Touré regime was intended as an earnest of Conakry's desire for better relations with France. The action followed a public declaration by President Touré on 20 March that Guinea was "modifying its line of conduct" toward France in view of the Algerian cease-fire agreement. A personal message to De Gaulle sent the same day, expressing Guinea's "satisfaction" with the agreement, brought a response which, while restrained, was apparently well received in Conakry. The official in charge of Guinean affairs in the French Foreign Ministry indicated late last week that Paris was now ready to respond promptly if the Guineans "do more than make nice speeches." The official indicated that the continued imprisonment of the French national was the most important initial consideration standing in the way of movement toward an early rapprochement between the two countries.

25X1

25X1

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British Guiana - East Germany: British Guiana has provisionally agreed to purchase agricultural processing equipment, worth approximately \$600,000, from an East Berlin firm, according to a member of a Guianese trade mission which recently returned from East Germany. This is the first such transaction the Jagan government has concluded with any bloc country. The terms are 20 percent cash, with the balance repayable in goods or cash within four years at not more than 4.5-percent interest. According to the trade mission member, the East Germans offered to send technicians to British Guiana and to train Guianese in East Germany. Although London has indicated it would veto a bloc loan, it will probably not oppose this kind of contract in view of British Guiana's difficult economic situation.

25X1

This move is a continuation of the East German regime's efforts to expand its economic relations with Latin America as

3 Apr 62

DAILY BRIEF

iv



#### Guinean-French Relations

Relations between Conakry and Paris have been at a virtual impasse ever since the Marxist-oriented Touré regime, which gained internal power in former French Guinea in 1957, opted for immediate independence by promoting a "no" vote in the French constitutional referendum of September 1958. This decision, and particularly the manner in which it was conveyed during De Gaulle's visit to Conakry in August 1958, affronted the French leader, who probably appreciated even then that it would undercut his projected Franco-African Community. On the Guinean side, great animosity toward France developed as a result of Paris' abrupt withdrawal of aid and personnel immediately after the referendum and its efforts to influence other Western states against Guinea. This atmosphere of mutual hostility has been aggravated during the three ensuing years by Conakry's habit of making France the whipping boy for all its internal difficulties while simultaneously leading the attacks made on Paris in international forums by radical African nationalists. At the same time, the Touré regime has subjected French business interests in Guinea to intense pressures, frequently culminating in nationalization.

There have been, from time to time, indications that relations between the two countries might be about to improve, starting with the conclusion in January 1959 of protocols on technical assistance, cultural cooperation, and Guinea's continued membership in the franc zone. However, these preliminary agreements were never implemented and, except for the conclusion in July 1961 of a loose cultural accord, subsequent negotiations yielded no further agreements until an air transport convention was signed last month. As a result, a number of unresolved issues have accumulated, especially in the commercial and financial sphere where relations have never been even formally normalized since Guinea's abrupt departure from the French franc zone and issuance of its own currency in March 1960.

Touré's overtures toward France at this time, despite his regime's long-standing pessimism over the possibility of a

3 Apr 62 CENTRA

CENTRAL INTELLIGENCE BULLETIN

Page 2

rapprochement while De Gaulle retains power, appear to be a reflection of Conakry's concern over Guinea's serious economic problems and its new interest in seeking help from the West as well as the East. A Guinean economic delegation is about to visit Washington and possibly other Western capitals with a "shopping list" of development projects costing over \$350,000,000. To facilitate Western assistance the Guineans, who have also recently made approaches to Western representatives in Conakry for private foreign investment, applied last month for membership in the International Monetary Fund and World Bank.

While expressing the view that any real progress toward settlement of outstanding Franco-Guinean financial questions depended on a prior rapprochement between De Gaulle and Touré, a French Finance Ministry offical indicated on 20 March that he thought a "technical basis" existed for such a settlement. The director of the African Affairs Section of the Foreign Ministry, on the other hand, recently reflected indifference to if not outright disapproval of an early rapprochement. Questioning whether any basic change in Guinea's outlook had occurred-he emphasized as evidence to the contrary the nationalization in early March of two French freight companies--he expressed the view that, in any case, the Guineans "should be brought along slowly" because the present bad state of the Guinean economy provided a salutary lesson to other African countries, particularly Mali.

25X1

25X1

3 Apr 62

25X1

CENTRAL INTELLIGENCE BULLETIN

Page 3

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25X1

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